GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2130
ANSWERED ON:06.05.2016
Credit Facility to Exporters
Kushwaha Shri Ram Kumar Sharma

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to provide credit facilities to exporters for carrying out their business within the purview of banking system under the priority sector;

(b) If so, the details thereof; and

(c) whether the Government proposes to enhance the percentage of loans to be extended to these beneficiaries under the priority sector, if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) & (b): As per extant guidelines of RBI, export credit is already classified as Priority Sector Lending (PSL). Incremental export credit over corresponding date of the preceding year, up to 2 percent of Computation of Adjusted Net Bank Credit (ANBC) or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, effective from April 1, 2015 subject to a sanctioned limit of up to ? 25 crore per borrower to units having turnover of up to ? 100 crore is classified as PSL for domestic banks.

For Foreign Banks with 20 branches and above this is effective from April 1, 2017 (As per their approved plans, foreign banks with 20 branches and above are allowed to count certain percentage of export credit limit as priority sector till March 2017). Foreign banks with less than 20 branches are allowed Export credit up to 32 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.

(c): At present, there is no such proposal.

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